

DHHS DIRECTOR'S OFFICE

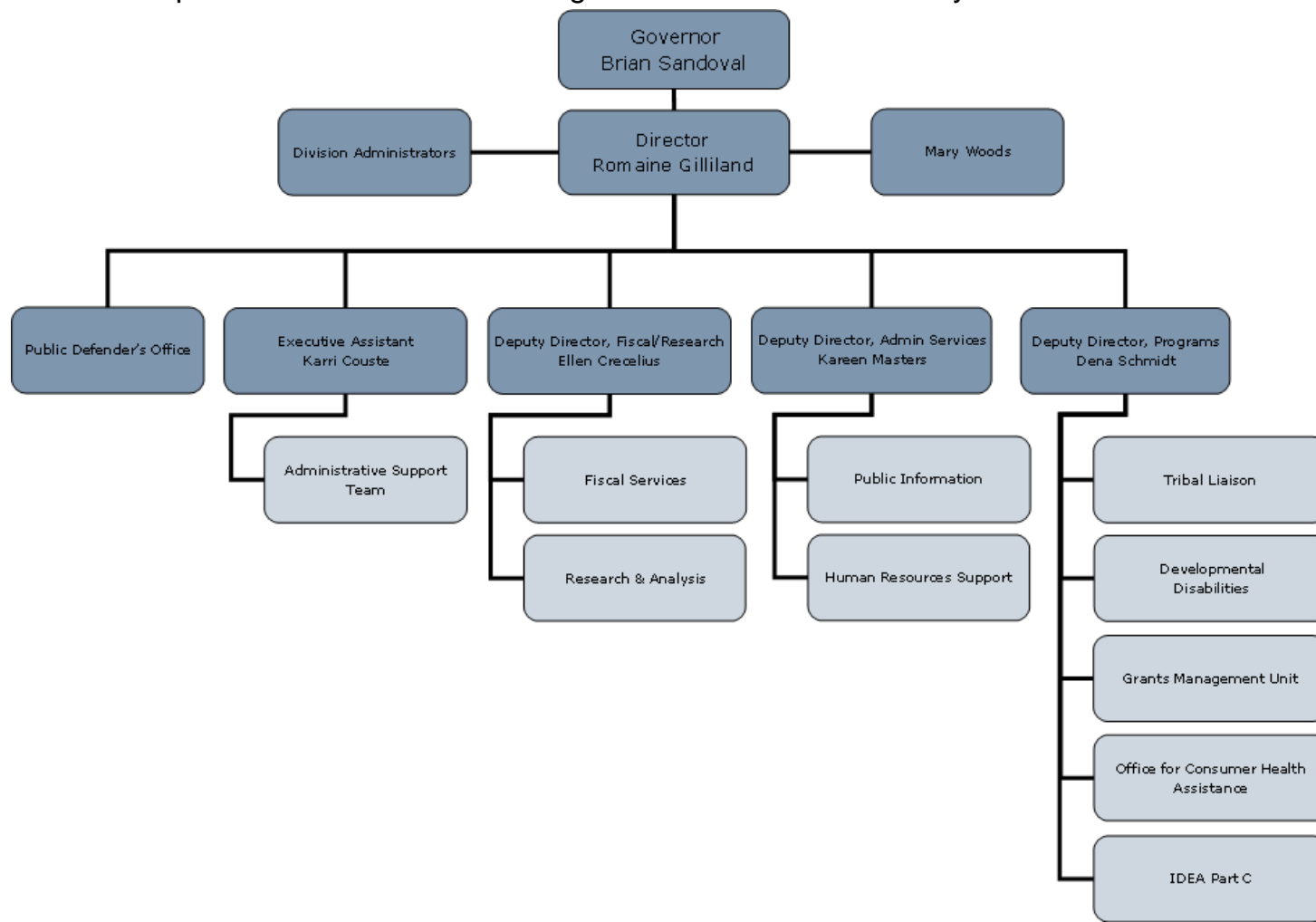
Governor's Recommended
Pre-Session Budget Hearing

January 21, 2015

Mission Statement and Organizational Chart

The Department of Health and Human Services (DHHS) Director's Office promotes the health and well-being of Nevadans through the delivery or facilitation of essential services to:

- Strengthen families;
- Protect public health, and
- Help individuals achieve their highest level of self-sufficiency.



Director's Office

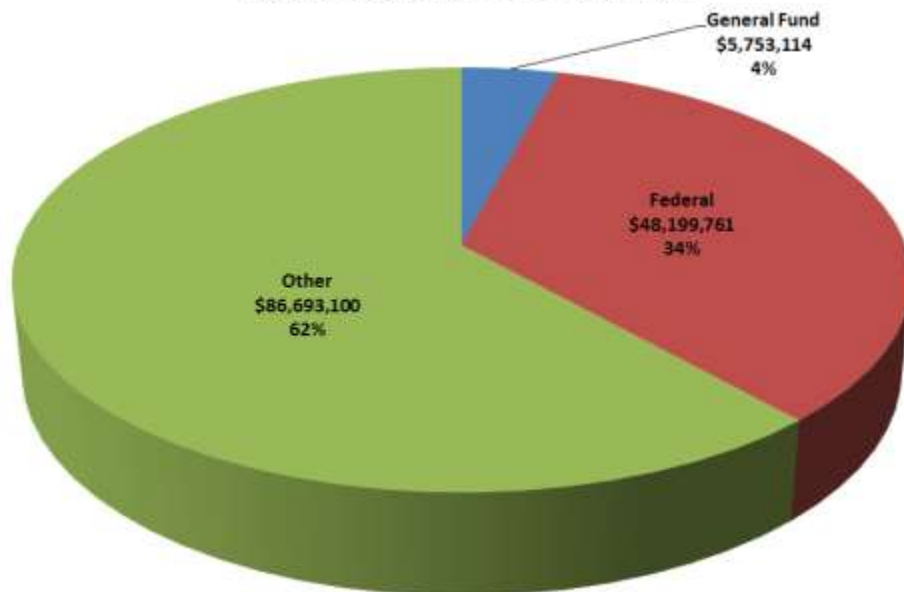
- The Director's Office manages the various services and programs administered and operated by the Department's divisions/offices within their respective subject areas.
- Director's Office Areas/Programs:
 - Administration;
 - Cross-Divisional Coordination;
 - Grants Management Unit;
 - Office for Consumer Health Assistance;
 - Office of Food Security;
 - Developmental Disabilities Council;
 - Part C of the Individuals with Disabilities Education Act; and
 - State Public Defender's Office.

Summary by Budget Account

Governor's Recommended Budget			Fiscal Year 2016				Fiscal Year 2017			
			General Fund	Federal Funds	Other	Total	General Fund	Federal Funds	Other	Total
		<i>Director's Office with Public Defender Total</i>	<u>3,746,085</u>	<u>21,978,060</u>	<u>31,552,072</u>	<u>57,276,217</u>	<u>3,772,763</u>	<u>22,005,989</u>	<u>32,138,947</u>	<u>57,917,699</u>
						<i>Biennial Total</i>	<u>7,518,848</u>	<u>43,984,049</u>	<u>63,691,019</u>	<u>115,193,916</u>
400	State Public Defender									
PD	1499	Public Defender	<u>1,732,021</u>	<u>-</u>	<u>1,656,897</u>	<u>3,388,918</u>	<u>1,732,263</u>	<u>-</u>	<u>1,657,929</u>	<u>3,390,192</u>
						<i>Biennial Total</i>	<u>3,464,284</u>	<u>-</u>	<u>3,314,826</u>	<u>6,779,110</u>
400	Director's Office									
DO	3150	Administration	1,381,438	-	307,545	1,688,983	1,385,904	-	379,144	1,765,048
DO	3154	Developmental Disabilities	147,263	447,537	-	594,800	149,358	453,507	-	602,865
DO	3195	Grants Management Unit	203,212	17,424,150	9,486,151	27,113,513	217,627	17,435,994	9,392,578	27,046,199
DO	3200	Problem Gambling	-	-	1,898,922	1,898,922	-	-	1,889,200	1,889,200
DO	3201	Children's Trust Account	-	-	1,164,588	1,164,588	-	-	1,240,564	1,240,564
DO	3204	Consumer Health Assistance	282,151	106,283	795,488	1,183,922	287,611	109,209	804,535	1,201,355
DO	3244	Indigent Supplemental Account	-	-	14,012,641	14,012,641	-	-	14,616,657	14,616,657
DO	3260	UPL Holding	-	-	2,229,840	2,229,840	-	-	2,158,340	2,158,340
DO	3276	IDEA Part C	-	4,000,090	-	4,000,090	-	4,007,279	-	4,007,279
		<i>Director's Office Total</i>	<u>2,014,064</u>	<u>21,978,060</u>	<u>29,895,175</u>	<u>53,887,299</u>	<u>2,040,500</u>	<u>22,005,989</u>	<u>30,481,018</u>	<u>54,527,507</u>
						<i>Biennial Total</i>	<u>4,054,564</u>	<u>43,984,049</u>	<u>60,376,193</u>	<u>108,414,806</u>
		<i>Director's Office with Public Defender Total</i>	<u>3,746,085</u>	<u>21,978,060</u>	<u>31,552,072</u>	<u>57,276,217</u>	<u>3,772,763</u>	<u>22,005,989</u>	<u>32,138,947</u>	<u>57,917,699</u>
						<i>Biennial Total</i>	<u>7,518,848</u>	<u>43,984,049</u>	<u>63,691,019</u>	<u>115,193,916</u>

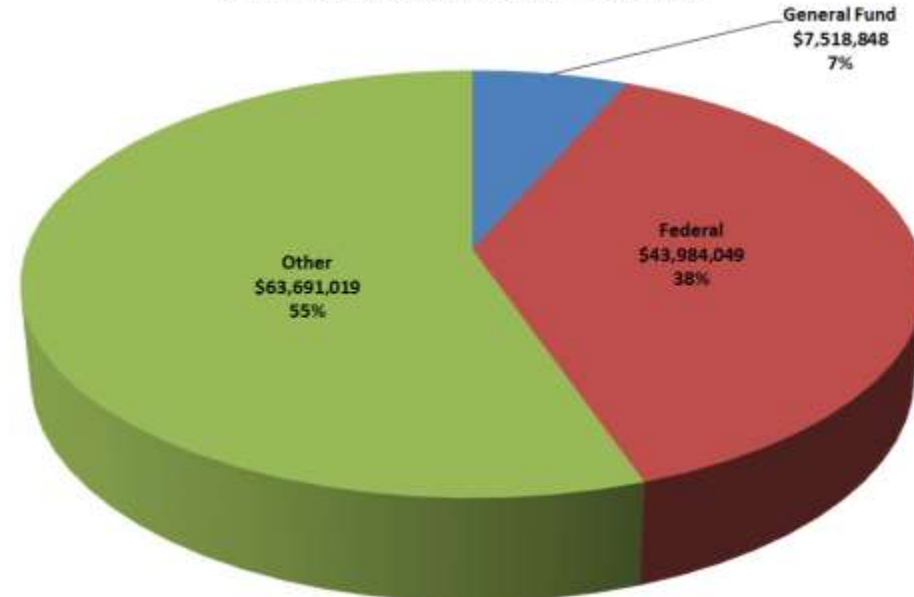
Budgeted Funding Sources

Legislatively Approved 2014-15 Biennium



\$140,645,975

Governor's Recommended 2016-17 Biennium



\$115,193,916

Tobacco Master Settlement Funds

Revenue

- The tobacco master settlement payment is currently over **\$7 billion** with Nevada receiving approximately **0.6%** of the total payment. The payments are not a set amount; however, they are influenced by the overall cigarette market and national inflation.
- Tobacco settlement annual payments are made on April 15th of every year and balanced forward to be expended in the next state fiscal year.
- Beginning in 2018:
 - Nevada will no longer receive the Strategic Contribution;
 - Nevada will no longer be paying back settlement credits; and
 - Resulting in overall reduction to DHHS' annual payment by approximately **\$2.68 million**.

Tobacco Settlement Funds:									
Award Year	Annual Payment	Strategic Contribution	Settlement Credits	Total Payment	Less AG	Less Taxation	Remaining	60% DHHS Amount	SFY Funds Expended
2015	35,505,771	7,523,035	(3,257,788)	39,771,018	(750,759)	(224,734)	38,795,525	23,277,315	2016
2016	35,168,470	7,451,567	(3,257,788)	39,362,249	(750,759)	(224,734)	38,386,756	23,032,054	2017
2017	34,835,650	7,381,294	(3,257,788)	38,959,156	(750,759)	(224,734)	37,983,663	22,790,198	2018
2018	34,503,440	-	-	34,503,440	(750,759)	(224,734)	33,527,947	20,116,768	2019

- The projected future payments will not be able to sustain the requested spending during the next biennium or beyond.
 - FY16 and FY17 budget request is based on FY14 spending that included a one-time supplemental payment of \$12 million balanced forward from FY13.

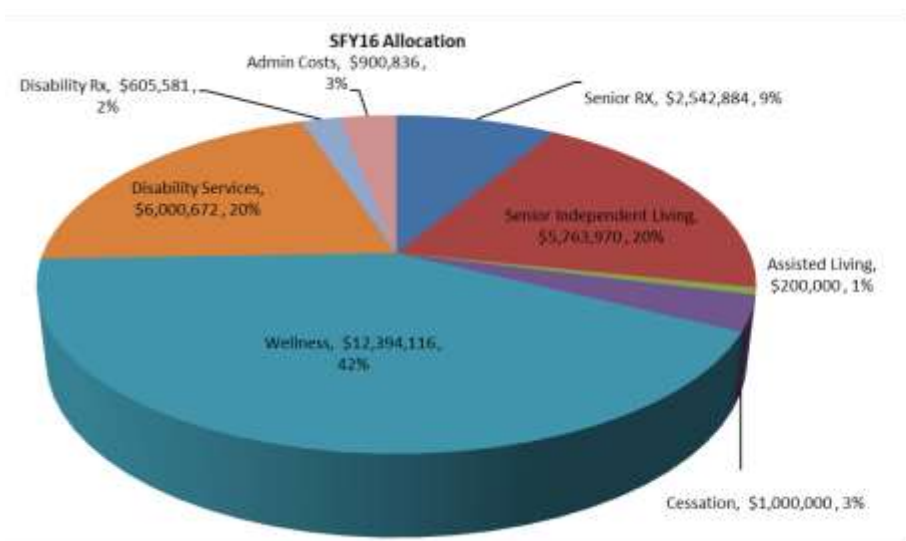
Tobacco Master Settlement Funds

Expenditures

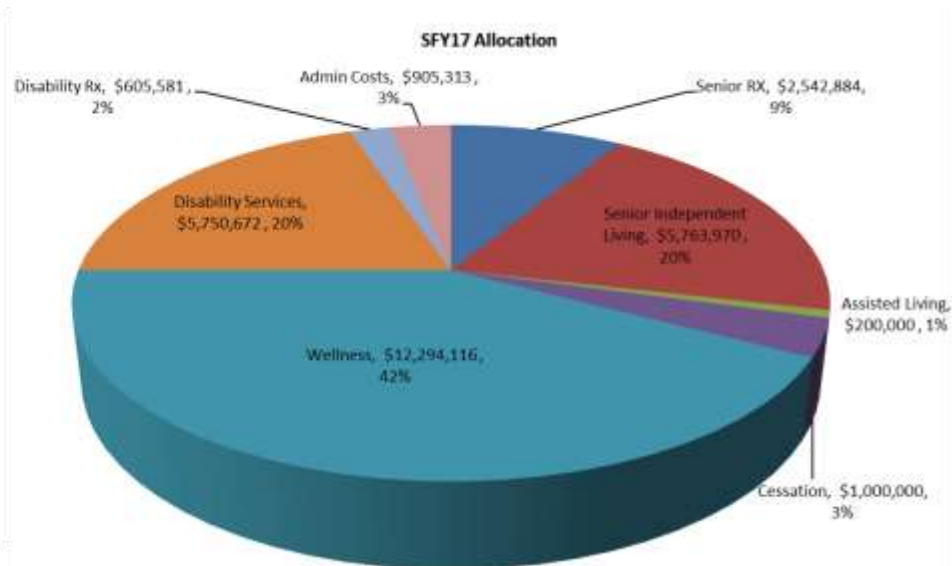
- A portion of funding from the Master Tobacco Settlement is budgeted in the Director's Office, with the remainder of the funds being budgeted across several divisions within DHHS.
- Distribution of funds:
 - Per NRS 439.630, allocations reflect recommendations of community needs and priorities submitted to the DHHS Director by three advisory boards:
 - Grants Management Advisory Committee;
 - Commission on Aging, and
 - Commission on Services for Persons with Disabilities.
 - Their recommendations were based on research, surveys, and public hearings conducted statewide during FY14.
- The DHHS Director considered the recommendations of the three advisory boards and NRS directives to maximize federal funding and avoid duplication of other funding. This process led to the allocation plan proposed for the next biennium.
- The following charts and table provide the details of the Director's plan across the department.

Tobacco Master Settlement Funds

Tobacco Funding Allocation Breakdown



\$29,408,059



\$28,329,228

\$57,737,287
Biennium Total

Tobacco Master Settlement Funds

Tobacco Funding Allocation 2015-17 Biennium

Use Category	Existing 14/15	Restore	Total 16/17
Senior Rx	5,085,768		5,085,768
Disability Rx	1,211,162		1,211,162
Senior Independent Living	9,968,680	1,559,260	11,527,940
Assisted Living	400,000		400,000
Cessation	2,000,000		2,000,000
Wellness			
Suicide Prevention	800,000		800,000
Hunger	4,600,000		4,600,000
Immunization	700,000		700,000
2-1-1 Support	1,000,000	400,000	1,400,000
OCHA Ombudsmen	360,000		360,000
Children's Mental Health	4,903,480		4,903,480
Adult Mental Health	5,476,776		5,476,776
Differential Response	2,840,000		2,840,000
Family Resource Centers	2,600,000	274,668	2,874,668
Disability Services			
Respite	1,300,000	50,000	1,350,000
Positive Behavior Support	650,000	30,000	680,000
Independent Living Grants	650,000	509,344	1,159,344
Traumatic Brain Injury	890,000		890,000
Alzheimer's Taskforce Support	146,000		146,000
Autism	5,126,000		5,126,000
Family Preservation	2,400,000		2,400,000
ADSD Admin	848,438		848,438
Director's Office Admin	833,023		833,023
Treasurer's Office Admin	124,688		124,688
TOTAL:	54,914,015	2,823,272	57,737,287

2-1-1 Support

Purpose and Funding:

- 2-1-1 connects people with community services/resources and volunteer opportunities. It also provides support for community crisis and disaster recovery.
 - 2-1-1 is available 24 hours per day, seven days per week.
- *The requested budget includes 2-1-1 funding of \$730,000 in both years of the biennium:*
 - \$700,000 per fiscal year from the Grants Management Unit (B/A 3195).
 - \$30,000 per fiscal year from the Division of Public and Behavioral Health, Maternal and Child Health Services (B/A 3222).

B/A 3195 - E225 New Part-Time 2-1-1 Coordinator

- This decision unit requests to establish a new .51 Full Time Equivalent (FTE) Social Services Program Specialist II to be the Statewide 2-1-1 Coordinator plus associated operating expenses. This position will be funded with Tobacco Settlement Funds. The Statewide 2-1-1 Coordinator will be responsible for administering the contract that secures Nevada 2-1-1 services and will collaborate with Information and Referral (I&R) providers across the state to oversee the progress of the Nevada I&R Strategic Plan.

Social Services Block Grant - Title XX

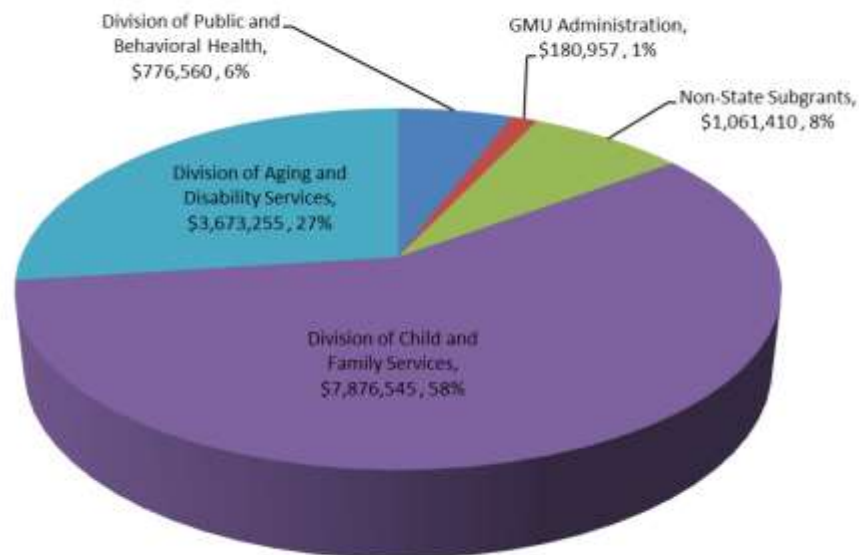
- Social Services Block Grants are provided through the Federal Social Security Act, Title XX and enable each state or territory to meet the needs of its residents through locally relevant social services. Title XX supports programs that allow communities to achieve or maintain economic self-sufficiency to prevent, reduce, or eliminate dependency on social services.
- Title XX funds a variety of initiatives for children and adults; each state determines which services to provide and who is eligible to receive these services.
- Title XX funds are allocated to state and non-state programs providing social services in urban and rural communities statewide. The funds are distributed partly through a competitive process and partly through legislative mandate.
- Funding for the Title XX has decreased slightly over the past few years due to federal sequestration. Adjustments to grantee award amounts have been made to offset reductions to the federal award.

Social Services Block Grant - Title XX

SOCIAL SERVICES BLOCK GRANT (SSBG) - TITLE XX			
Budget Period: 2015-2017 BIENNIUM (FY16-17)			
Budget Account: 3195 HHS - GRANTS MANAGEMENT UNIT			
Version: GOVERNOR'S RECOMMENDED			
Catg	Description	Requested	
		SFY16	SFY17
33	HEALTH DIV-IMMUNIZATIONS (3224)	184,895	184,895
35	NON-STATE CHILD ABUSE	1,061,410	1,061,410
40	AGING HOMEMAKER PROGRAM - ADMIN (3266)	172,569	172,569
41	AGING HOMEMAKER PROGRAM (3266)	2,342,008	2,342,008
42	DCFS CHILD WELFARE - RURAL (3229)	1,688,711	1,688,711
42	DCFS CHILD WELFARE - WASHOE COUNTY (3141)	653,297	653,297
42	DCFS CHILD WELFARE - CLARK COUNTY (3142)	1,947,565	1,947,565
44	DCFS NN CHILD ADOLESCENT (3281)	1,392,879	1,392,879
45	DCFS SN CHILD AND ADOLESCENT (3646)	2,107,808	2,107,808
46	DCFS NV YOUTH TRAINING CENTER (3259)	86,285	86,285
47	ADSD RURAL REGIONAL CENTER (3167)	172,569	172,569
48	ADSD DESERT REGIONAL CENTER (3279)	727,255	727,255
49	ADSD SIERRA REGIONAL CENTER (3280)	258,854	258,854
50	DPBH SNAMHS (3161)	591,665	591,665
	Title XX Admin:	180,957	186,175
	Total Title XX Budget Amount:	13,568,727	13,573,945

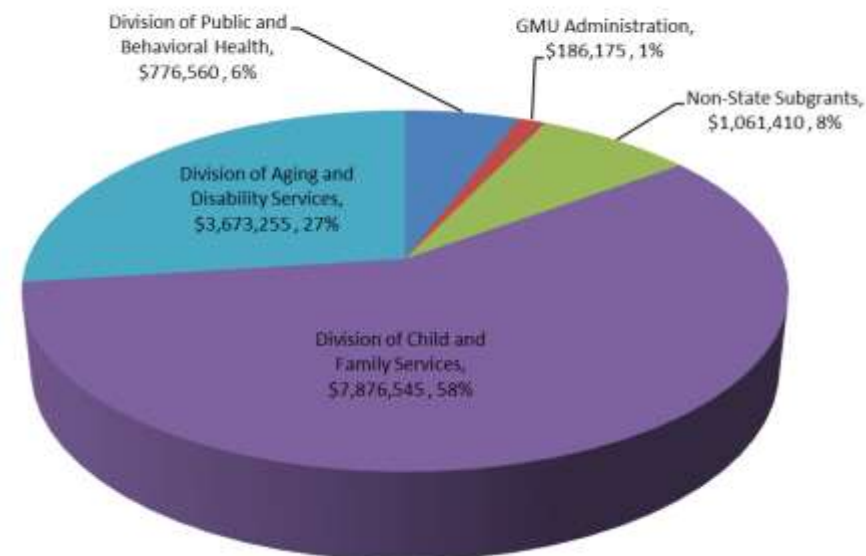
Social Services Block Grant - Title XX

SFY16 Allocation



\$13,568,727

SFY17 Allocation



\$13,573,945

\$27,142,672
Biennium Total

Indigent Hospital Care

- The Fund for Hospital Care to Indigent Persons (Fund) provides reimbursement to hospitals for unpaid charges related to the medical treatment of indigent individuals.
 - The source of funding for the Fund are as follows:
 - \$0.015 ad valorem tax on each \$100 of assessed value of taxable property in each county;
 - Unmet Freecare Obligation from hospitals (currently only Clark and Washoe County hospitals);
 - County payment of \$3,000 per indigent claim paid in the prior year; and
 - Interest earned in the account.
- Beginning in SFY14, revenue from the supplemental \$0.01 ad valorem tax was no longer received and tracked in this budget account. Payments from the counties are now deposited in the Division of Health Care Financing and Policy's B/A 3157 – Intergovernmental Transfer (IGT) Account.
- Revenue projections for the \$0.015 ad valorem tax reflect an increase over the base amount of \$11,627,930:
 - Year 1 – Projection of \$12,204,758 for an increase of \$576,828.
 - Year 2 – Projection of \$12,808,774 for an increase of \$1,180,844.
- The Unmet Freecare Obligation revenue is requested to be budgeted at the base amount of \$1,270,803.
 - This obligation applies to hospitals with more than 100 beds located in counties with two or more licensed hospitals (currently only applicable to Clark and Washoe Counties);
 - Requires hospitals to provide uncompensated care for indigent inpatients in an amount equal to 0.6% of each hospital's net revenue for the preceding year.
 - The amount to be paid to this account is based on the actual amount of each hospital's unmet obligation.

Indigent Hospital Care

- Another funding source in the next biennium will be the \$0.01 ad valorem tax payments from prior years for one county in the amount of \$500,000 each year of the biennium. This funding is not permanent and will end in SFY18 once all past taxes have been paid.
- The expenditures associated with this funding, plus any other funds remaining in the Fund after the transfer of funds to B/A 3157 will be expended as determined by the Board of Trustees. Potential uses of the funding could be to:
 - Offset the County Match Program;
 - Make traditional Indigent Hospital Care claims; or
 - Increase supplemental payments by Medicaid.
- Expenditures in the base year included the following:
 - Contract payment of \$60,000 to the Nevada Association of Counties for administration of the Fund;
 - A transfer of \$11,245,692 to B/A 3157 used to obtain federal Medicaid matching funds for supplemental payments;
 - A transfer of \$1,630,121 to B/A 3157 used to offset the County Match Program obligations; and
 - Payments to hospitals of \$535,423 for prior year obligations.
- Expenditures in the next biennium will include the following:
 - Contract payment of \$60,000 to the Nevada Association of Counties for administration of the Fund;
 - A transfer of \$11,245,692 to B/A 3157 used to obtain Medicaid federal matching funds; and
 - Remaining funds will be expended as determined by the Board of Trustees.

Upper Payment Limit (UPL) Holding Account

- Base Year:
 - Converted \$1,250,000 in contracts to Nevada Clinical Services (NCS) resulting in \$337,500 of reverted funds to the State General Fund.
- SFY15:
 - Project to convert \$4,571,557 in contracts to NCS for a state net benefit of \$1,212,380 to be reverted to the State General Fund at the close of the fiscal year. This year has an additional contract of \$3 million for newborn screening that will not be a part of the Department of Health and Human Services budget in future years.
- Next Biennium:
 - The requested budget reflects contracts identified to be converted to NCS that would result in the following:
 - SFY16 - \$2,289,000 in contracts resulting in \$617,926 of reverted funds to the State General Fund.
 - SFY17 - \$2,189,000 in contracts resulting in \$639,174 of reverted funds to the State General Fund.
 - Note: There is a reduction of \$100,000 to one of the identified contracts in SFY17; however, the blended Federal Medical Assistance Percentage (FMAP) will be higher that year resulting in a higher state net benefit.

Changes & Expiring Funding

B/A 3150 - E275 Change Funding of Tribal Liaison Position

- This decision unit is requesting to change the funding source of the Tribal Liaison position in the Director's Office to 100% State General Funds. This position is currently funded through a transfer from the Division of Public and Behavioral Health, Public Health Preparedness Program. The role of this position has shifted over the years in that it is no longer working mainly on Public Health Preparedness coordination and outreach with the tribes in Nevada. The position now performs work on behalf of all the divisions in the Department of Health and Human Services. It would be more appropriate to fund this position using State General Funds as the work being performed by this position benefits the department as a whole.

B/A 3150 - E490 Expiring Early Childhood Advisory Committee Grant

- The Early Childhood Advisory Council grant ended during SFY14. All costs associated with the grant have been removed from this budget account. There are no positions associated with this funding source.

B/A 3150 - E491 Expiring Health Information Exchange (HIE) Grant

- Eliminates 4 grant funded positions.
 - The Statewide Health Information Exchange Network Grant for the HIE ended in SFY14.

Changes & Expiring Funding

B/A 3204 - E490 Expiring Grant Funding

- This decision unit eliminates the United Health Care Settlement (UHC) award from the Attorney General's Office which provided funding to support a small business ombudsman. The funding expired on February 28, 2014 and the position has been eliminated.

B/A 3204 - E491 Expiring Grant Funding

- This decision unit eliminates the Affordable Care Act - Consumer Assistance Program (CAP) award which provided funding to accommodate the influx of inquiries and complaints by the public as the Silver State Health Insurance Exchange was rolled out.

B/A 3204 - E492 Expiring Grant Funding

- This decision unit eliminates the Silver State Health Insurance Exchange subgrant which provided funding for four ombudsmen to accommodate the influx of inquiries and complaints by the public as the ACA insurance mandate was rolled out.
- Additional funding was identified that provides funding for 3 of the 4 ombudsmen positions that were slated to be eliminated at the end of SFY15. The funding is as follows:
 - Funding from the Division of Public and Behavioral Health (DPBH) Administration budget.
 - Funding from the DBPH Health Facilities budget.
 - Funding from the Fund for Healthy Nevada (tobacco settlement).

New Positions – 2.51 FTE

B/A 3150 - E225 New IT Professional 2 Position

- This decision unit is requesting one full-time IT Professional 2 position that will provide IT support to the Director's Office main office, as well as six (6) additional satellite offices located in Carson City (2 locations), Las Vegas (2 locations), Ely and Elko. The duties associated with this new position have been performed in the past by various IT staff from other agencies at no charge, as well as contracted IT support provided by Computer Technical Services (CTS) in locations that have no donated support available.

B/A 3195 - E225 New Part-Time 2-1-1 Coordinator

- This decision unit requests to establish a new .51 Full Time Equivalent (FTE) Social Services Program Specialist II to be the Statewide 2-1-1 Coordinator plus associated operating expenses. This position will be funded with Tobacco Settlement Funds. The Statewide 2-1-1 Coordinator will be responsible for administering the contract that secures Nevada 2-1-1 services and will collaborate with Information and Referral (I&R) providers across the state to oversee the progress of the Nevada I&R Strategic Plan.

E225 New Developmental Specialist 4 Position

- This decision unit is requesting one new Developmental Specialist 4 position in Carson City to provide assistance to programs in the early intervention system with chart reviews, self-assessments, verifications, and technical assistance. This position will also provide training throughout the year on areas that Early Intervention Services (EIS) staff need in order to provide quality services. The State Interagency Coordinating Council (ICC) has requested more site visits. In addition, EIS program staff has requested more timely staff assistance on procedural issues and technical assistance. This new position will allow for the IDEA Part C program staff to meet the requests of the ICC and the growing demands of EIS.

Bill Draft Requests

BDR 40-323 - SB48:

- Revises technical language relating to Health Information Exchanges and removes language related to governance, allowing DHHS to certify Health Information Exchanges rather than operate a statewide health information exchange.

There are no other proposed budgetary or statutory changes recommended in the Director's Office budget account.

Division of Health Care Financing and Policy BDR related to the Director's Office Indigent Hospital Care account:

BDR 38-327 – AB41:

- Revises language relating to NRS 428 – Fund for Hospital Care for Indigent Persons by removing references to accounts that no longer exist under this NRS, requesting a change in the handling of cash on hand at year end, and the repeal of two sections identified as no longer applicable to this fund.

B/A with No Enhancements or Little Change:

1499 State Public Defender's Office

- The Nevada State Public Defender's Office represents indigent adults and juveniles accused of committing crimes in certain rural counties starting at appointment and continuing through appeal and probation or parole. The counties currently receiving services are Carson City, Eureka, Storey, and White Pine. The office also handles appeals of post-conviction habeas corpus petitions for state prison inmates accused of a crime.
- Funding for the 2015-17 biennium is split 19% State General Fund and 81% county fees, with the exception of Post-Conviction Relief, which is 100% State General Fund.
 - The 2013-15 biennium split was also 19% State General Fund and 81% county fees.
- Post-Conviction Relief: Historically, the total cost to provide Post-Conviction Relief has exceeded the Legislatively-approved amount with funds being requested from a Transfer from Statutory Contingency Funds several times throughout the year.
 - The request for Category 12 - Post-Conviction Relief of \$1,343,366 is based on a 5-year average of actual expenditures.

3154 Developmental Disabilities Council

- The Governor's Council on Developmental Disabilities advocates for the rights of people with developmental disabilities. *Continues funding for 3 positions and associated operating costs. Receives federal funds through a grant from the Administration on Intellectual and Developmental Disabilities. The total funding for this budget account is 75% federal funds plus a required match of 25% of State General Funds.*

B/A with No Enhancements or Little Change:

3200 Problem Gambling

- *Continues funding of treatment and administrative costs for the Prevention and Treatment of Problem Gambling. This program is funded from a slot tax of \$2 per machine, per quarter. The Advisory Committee for Problem Gambling (ACPG) will have use of approximately \$1.3 million per year to provide prevention, treatment, and workforce development programs. Payments to grantees/contractors are paid out of this budget account. Funding for administrative costs is transferred to B/A 3195.*

3201 Children's Trust Fund

- *Continues funding of the prevention of child abuse and administrative costs. Funding for this account is generated from a \$3 per birth and death certificate fee. Funds are transferred to B/A 3195 as needed to pay for administrative costs and reimbursement to grantees. This funding is utilized as leveraged funds for the Community-Based Child Abuse Prevention (CBCAP) grant administered in B/A 3195.*

APPENDIXES

Tobacco Settlement Funds Reconciliation

Tobacco Settlement Fund Spending Plan

Indigent Hospital Care and Supplemental Flow Chart

Unmet Freecare Obligation Flow Chart

Private Hospital Upper Payment Limit Program Flow Chart

IDEA Part C Overview